

BEFORE THE BOARD OF REAL ESTATE APPRAISERS

STATE OF IDAHO

ORIGINAL

In the matter of license of)	
)	Case No. REA-02-93-011
Ronald M. Harriman,)	
License No. LRA-142,)	
)	CONSENT ORDER
Respondent.)	
_____)	

COME NOW the Idaho State Board of Real Estate Appraisers (hereinafter "Board") and Ronald M. Harriman (hereinafter "Respondent"), and enter into this Consent Order in lieu of a formal administrative hearing pursuant to Idaho Code § 54-4106.

I.

For the purposes of the entry of this Order, the following facts are hereby adopted by the Board:

1. That Respondent is a licensee of the Idaho State Board of Real Estate Appraisers and holds license number LRA-142 to appraise residential real estate in the State of Idaho. Respondent's license is and has been in full force and effect at all times pertinent herein. Respondent's license is subject to the provisions of title 54, chapter 41, Idaho Code, and the duly promulgated rules of the Board of Real Estate Appraisers.

2. That pursuant to an agreement with First Security Bank of Idaho, Respondent appraised the following two properties: 14863 Burger Lane, Caldwell, Idaho (hereinafter "Burger

Property"); 28495 Scott Pit Road, Parma, Idaho (hereinafter "Scott Property").

3. That pursuant to an agreement with West One Bank, Idaho, N.A., Respondent appraised the following property: 1209 E. Cleveland Boulevard, Caldwell, Idaho (hereinafter "Cleveland Property").

4. That in connection with seeking to become an approved appraiser for First Security Bank of Idaho, Respondent resubmitted to First Security Bank of Idaho portions of the appraisals of the Burger Property, the Cleveland Property, and the Scott Property as part of an "approval package."

5. That Respondent relied upon and used the legal description for the Burger Property provided by First Security in connection with Respondent's appraisal of the Burger Property. Although the legal description provided by First Security was incomplete, the appraisal report identified the correct street address, attached a plat map identifying the property, and attached other area maps showing the location of the property. Under these circumstances, the use of an incomplete legal description may constitute a violation of USPAP 2-2(A), which requires: "Each written real property appraisal report must: (a) identify and describe the real estate being appraised."

6. That Respondent's appraisal of the Scott Property contained an addendum in which Respondent retyped the metes and bounds legal description of the property, and this retyped legal

description contained a typographical error in that it left out a portion of the legal description. Although the legal description contained a typographical error, the appraisal report identified the correct street address, attached a plat map identifying the property, and attached other area maps showing the location of the property. Under these circumstances, the use of an incomplete legal description may constitute a violation of USPAP 2-2(A), which requires: "Each written real property appraisal report must: (a) identify and describe the real estate being appraised."

7. That Respondent included photographs of the subject properties and used a summary method of describing the design of the subject and comparable properties in the Burger Property, Cleveland Property, and Scott Property appraisal reports, which summary description may be a violation of USPAP 2-1(B), which requires: "Each written or oral real property appraisal report must: (b) contain sufficient information to enable the person(s) who receive or rely on the report to understand it properly."

8. That on the appraisal report for the Cleveland Property, Respondent identified the age of the subject property as "82 years," identified the effective age of the subject property as "30 years," and identified the age of the three comparables as "older." That on the appraisal report for the Burger Property, Respondent identified the age of the subject

property as "new," identified the effective age of the subject property as "0," and identified the age of the three comparables as "new." That on the appraisal report for the Scott Property, Respondent identified the age of the subject property as "22 years," identified the effective age of the subject property as "15 years," and identified the age of the comparables as "20 years" "12 years" and "13 years." That describing the ages of these properties in this manner may constitute a violation of USPAP 2-1(B) which requires: "Each written or oral real property appraisal report must: (b) contain sufficient information to enable the persons who receive or rely on the report to understand it properly."

9. That the appraisal reports for the Burger Property, Cleveland Property, and Scott Property each contained the following explanation regarding the exclusion of the income approach: "The best indicator of value is the sales comparison approach supported by the cost approach. The income approach is deemed inapplicable when appraising single family residences." That this explanation may constitute a violation of USPAP 2-2(j) which requires: "Each written real property appraisal report must: (j) explain and support the exclusion of any of the usual valuation approaches."

10. That on the appraisal report for the Burger Property: (a) Respondent identified the closing date for Comparable No. 2 as "8/18/92" but the MLS Supplement lists the

closing date as 5/27/92; (b) Respondent identified the address for Comparable No. 3 as "29212 Laurel Way" by typographical error, the actual address is "2921 Laurel Way; and (c) Respondent identified the direction of Comparables Nos. 2 and 3 as "SW" when the actual direction is SE. These facts may constitute a violation of USPAP 1-1(B) which requires: "In developing a real property appraisal, an appraiser must: (b) not commit a substantial error of omission or commission that significantly affects an appraisal."

11. That on the appraisal report for the Cleveland Property: (a) Respondent used the listing prices for the three comparables; and (b) Respondent identified the financing for Comparable No. 3 as "Owner Carry" when the financing was a conventional loan. These facts may constitute a violation of USPAP 1-1(B) which requires: "In developing a real property appraisal, an appraiser must: (b) not commit a substantial error of omission or commission that significantly affects an appraisal."

12. That on the appraisal report for the Scott Property: (a) Respondent identified the heat on the subject property as forced air, when the heat is radiant cable ceiling; (b) Respondent adjusted the air conditioning the wrong direction on Comparable No. 2; and (c) the Appraisal Report had a photograph of the fireplace showing a carousel fireplace but on the report identified the fireplace as "1-brick." These facts

may constitute a violation of USPAP 1-1(B) which requires: "In developing a real property appraisal, an appraiser must: (b) not commit a substantial error of omission or commission that significantly affects an appraisal."

II.

I, Ronald M. Harriman, by affixing my signature hereto, acknowledge that:

1. I have read and understand the allegations pending before the Board, as stated above in section I. I further understand that these allegations resulted in the commencement of this disciplinary action upon my license to appraise residential real estate in the State of Idaho.

2. I understand that I have the right to a full and complete hearing and all rights accorded by the Administrative Procedure Act of the State of Idaho and the laws and rules governing the practice of appraising real estate in the State of Idaho. I hereby freely and voluntarily waive these rights in order to enter into this stipulation as a resolution of the pending allegations against me.

3. I understand that in signing this Consent Order I am agreeing to comply with the following described requirements of the Board to avoid disciplinary action upon my license.

III.

1. Based upon the foregoing stipulation, it is agreed that the Board may issue a decision and Order upon this stipulation whereby real estate appraisal license number LRA-142, issued to Respondent Ronald M. Harriman, is subject to the following conditions:

A. Within ^{NRM sch}~~ninety~~ six months of the effective date of this Consent Order respondent shall obtain thirty (30) classroom hours of continuing education instruction in the appraising of residential real estate. Said thirty (30) hours of study shall be in addition to the fifteen (15) continuing education hours annually required by the Board.

B. Respondent shall obey all federal, state, and local laws, and all rules governing the practice of appraising real estate in the State of Idaho.

If Respondent complies with these conditions for a period of one year from the effective date of this Consent Order, no further action will be taken by the Board with regard to the appraisals for the Burger Property, the Cleveland Property, and the Scott Property.


2. If, in the discretion of the Board, Respondent appears to have violated or breached any terms of this Consent Order, the Board reserves the right to institute formal disciplinary proceedings for any and all possible violations or

breaches, including, but not limited to, alleged violations of the law of Idaho occurring before the effective date of this Consent Order.

3. Any action initiated by the Board for violations of this Consent Order or applicable laws and rules shall comply with the Administrative Procedure Act, title 67, chapter 9, Idaho Code, the Idaho State Real Estate Appraisers Act and the rules of the Board.

I have read the above stipulation fully and understand that by its terms I will be waiving certain rights accorded me under Idaho law. I also understand that by its terms the Idaho State Board of Real Estate Appraisers will issue an Order on this stipulation whereby my license to appraise residential real estate will be subject to the above delineated terms and conditions. I agree to the above stipulation for settlement.

DATED this 2ND day of JUNE, 1994.



Ronald M. Harriman
Respondent

I concur in the stipulation and order.

DATED this 5th day of July, 1994.

HAWLEY TROXELL ENNIS & HAWLEY

By: 

Stephen C. Hardesty
Attorney for Respondent

I concur in the stipulation and order.

DATED this 16th day of June, 1994.

STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL

By: 

Nicole S. McKay
Deputy Attorney General

Pursuant to Idaho Code § _____, the foregoing is adopted as the decision of the Board of Real Estate Appraisers in this matter and shall be effective on the 13 day of June, 1994, IT IS SO ORDERED.

IDAHO STATE BOARD OF
REAL ESTATE APPRAISERS

By: 

Name: Robert Smith
Chairman